



JOY HOFMEISTER

STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT OF EDUCATION

MEMORANDUM

TO: The Honorable Members of the State Board of Education

FROM: Joy Hofmeister

DATE: November 27, 2018

SUBJECT: Sovereign Community Charter School ("SCS" or the "School") – Charter School Sponsorship Contract

Pursuant to the Oklahoma Charter Schools Act (the "Act") at 70 O.S. §3-132, on August 23, 2018, the State Board of Education (the "Board") approved an application to sponsor the SCS as an Oklahoma public charter school. As a sponsor of a charter school, the Board must enter into a written contract with the governing body of the charter school. *See* 70 O.S. §3-135. The Act requires that the charter school contract incorporate the provisions of the charter application, and the following:

1. A description of the program to be offered by the school which complies with the purposes outlined in Section 3-136 of this title;
2. Admission policies and procedures;
3. Management and administration of the charter school, including that a majority of the charter governing board members are residents of the State of Oklahoma and meet no less than quarterly in a public meeting within the boundaries of the school district in which the charter school is located or within the State of Oklahoma in the instance of multiple charter school locations by the same sponsor;
4. Requirements and procedures for program and financial audits;
5. A description of how the charter school will comply with the charter requirements set forth in the Oklahoma Charter Schools Act;
6. Assumption of liability by the charter school;
7. The term of the contract;
8. A description of the high standards of expectation and rigor for charter school plans and assurance that charter school plans adopted meet at least those standards;
9. Policies that require that the charter school be as equally free and open to all students as traditional public schools;



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10. Procedures that require students enrolled in the charter school to be selected by lottery to ensure fairness if more students apply than a school has the capacity to accommodate;
11. Policies that require the charter school to be subject to the same academic standards and expectations as existing public schools; and
12. A description of the requirements and procedures for the charter school to receive funding in accordance with statutory requirements and guidelines for existing public schools.

As such, enclosed for your review and consideration for approval is a draft contract for the Board's sponsorship of SCS.

State Board of Education action is requested on these matters.

CHARTER SCHOOL CONTRACT

This Amended Charter School Contract (the "Contract") is executed on this ____ day of ____, 2018 (the "Effective Date"), by and between, **Oklahoma State Board of Education** (the "State Board" or "SBE") and **Sovereign Community School Foundation**, an Oklahoma not-for-profit corporation ("School Board") to authorize the establishment and operation of a charter school known as Sovereign Community School located in Oklahoma County, Oklahoma ("Charter School" or "SCS").

RECITALS

WHEREAS, the Oklahoma State Legislature has enacted the Oklahoma Charter School Act set forth at 70 O.S. § 3-130, et seq. (the "Act"); and

WHEREAS, the provisions of the Act apply to all charter schools formed and operated under the provisions of the Act; and

WHEREAS, the SBE, a state board established by authority of 70 O.S. § 3-104 has the authority under 70 O.S. § 3-132 to authorize and sponsor a charter school upon appeal from a school district's denial of a charter application; and

WHEREAS, on May 29, 2018, the School Board submitted an appeal from the denial of its amended charter application (the "Application") for consideration by the SBE pursuant to the Act; and

WHEREAS, on August 23, 2018, the School Board presented the Application to the SBE; and

WHEREAS, on August 23, 2018, the SBE voted to authorize the proposed Charter School, subject to parties executing a mutually agreeable charter school contract.

WHEREAS, the Application is hereby fully incorporated into this Contract.

NOW THEREFORE, in consideration of the foregoing recitals, the parties agree:

1. AUTHORITY TO OPERATE CHARTER SCHOOL. The SBE authorizes the School Board to operate the Charter School subject to the terms of this Contract, the Act, and all other applicable federal, state and local laws and regulations (together with the Act, the “Applicable Law”). In the event of a conflict between the provisions of this Contract and the Applicable Law and/or the Application, the Applicable Law shall control. Action materially in violation of the terms of the Contract, or Applicable Law, shall constitute a material violation of this Contract, and will be good cause for termination of the Contract, provided that action necessary to comply with any applicable law or related state/federal regulation shall not constitute a material violation of this Contract.

2. TERM OF AGREEMENT. The term of this Contract is from the July 1, 2019 until June 30, 2024, unless earlier terminated as provided for by law or the terms of this Contract. This Contract is effective and enforceable by either party upon its acceptance and approval of both parties.

3. GOVERNANCE. The School Board shall govern the Charter School in a manner that is consistent with the terms of this Contract so long as such provisions are in accordance with Applicable Law. School Board shall have authority and responsibility for the academic, financial, and organizational performance of the Charter School, the fulfillment of this Contract, and approval of the Charter School’s budgets. School Board shall also have authority for and be responsible for policy and operational decisions of the Charter School. Nothing herein shall prevent School Board from delegating said authority and responsibility herein to officers, employees and agents of Charter School, including members of the Charter School’s governing board. However, School Board shall remain ultimately responsible at all times for compliance with the terms of this Contract and Applicable Law, regardless of any such assignment. School Board shall govern the School pursuant to the following terms and conditions:

- a. Bylaws. The Bylaws of the School Board shall provide for governance of the operation of the Charter School as a public charter school and shall at all times be consistent with all applicable law and this Contract. Any modification to the Bylaws must be submitted to the SBE within ten (10) business days of approval by the School Board.
- b. Articles of Incorporation. The School Board shall comply with the Articles of Incorporation of the non-profit. Any amendment to the Articles of Incorporation must be submitted to the SBE within ten (10) business days of being filed.
- c. Composition. The composition of the School Board shall at all times be determined by and consistent with its Articles and Bylaws and all Applicable Law and policy. A list of the School Board members and contact information along with each member’s disclosure form are included with the Application and incorporated herein. The School Board shall notify the SBE of any changes to the School Board Member List and Disclosures within ten (10) business days of their taking effect and provide the SBE with the amended School Board Member List and Disclosures.

A majority of the School Board shall be residents of the Oklahoma City Public Schools jurisdictional boundaries and meet no less than quarterly in a public meeting within the boundaries of the SBE. The SBE may select and appoint one (1) non-voting Member to the School Board.

- d. Conflicts of Interest. Subject to 70 § 3-136(A)(17) of the Act, the School Board acknowledges and agrees that the members shall abide by the same conflict of interest requirements as members of a local board of education.
- e. Non-Commingling. Assets, funds, liabilities and financial records of the Charter School shall be kept separate from assets, funds, liabilities, and financial records of any other person, entity, or organization.

4. EDUCATIONAL PROGRAM. The comprehensive educational program to be provided by the Charter School is described in the Application. The Charter School should provide the educational programs and/or services shown in the Application and set forth below:

- a. Design Elements & Educational Philosophy. The Charter School shall implement and maintain the design elements and educational philosophy as referenced in the Application. The Charter School shall provide notice to the SBE of any material modifications to the design elements.
- b. Content Standards. The Charter School's educational program shall meet or exceed current Oklahoma Academic Standards, as set by state statutes or the Oklahoma State Department of Education.
- c. Curriculum. The Charter School shall implement the curricula described in the Application in compliance with applicable law. The School Board may, without seeking SBE approval, make reasonable modifications to its approved curriculum to permit the School to meet its educational goals and student achievement standards. Any modifications, either individually or cumulatively, that are of such a nature or degree as to cause the approved curriculum to cease to be in operation will require approval from the SBE and an amendment to this Contract.
- d. Graduation Requirements [for high schools]. The Charter School's curriculum shall comply with 70 O.S. § 3-136(A)(3) of the Act and shall meet or exceed all applicable graduation requirements as established by the Oklahoma State Department of Education (the "SDE").
- e. Staff Qualifications. Each teacher shall possess all applicable qualifications as required by applicable state or federal law.

- f. Staff Training. The Charter School shall provide any training required by applicable state or federal law.
- g. Student Assessment. In accordance with 70 O.S. § 3-136 of the Act, the Charter School shall participate in the testing as required by the Oklahoma School Testing Program Act and the reporting of test results as is required of a traditional public school. The Charter School shall also provide any necessary data to the Oklahoma State Department of Education Office of Accountability. The Charter School shall comply with all assessment protocols and requirements as established by the State Department of Education, maintain test security, and administer the tests consistent with all relevant state requirements except where exempted.
- h. English Language Learners. The Charter School shall at all times comply with all state and federal law applicable to the education of English language learners, including but not limited to the Elementary and Secondary Education Act (ESEA), Title VI of the Civil Rights Act of 1964 and the Equal Educational Opportunities Act of 1974 (EEOA). The Charter School shall provide resources and support to English language learners to enable them to acquire sufficient English language proficiency to participate in the mainstream English language instructional program. The Charter School shall employ and train teachers to provide appropriate services to English language learners. The Charter School shall establish and follow policies and procedures for identifying, assessing and exiting English language learners, consistent with Applicable Law.
- i. Students with Disabilities.
 - I. The Charter School shall provide at its sole cost identification, services and accommodations to students with disabilities as set forth in the Application and in accordance with any relevant policies thereafter adopted, and in compliance with all applicable provisions of the Individuals with Disabilities Education Act (20 U.S.C. § 1401 *et seq.*) (the “IDEA”), the Americans with Disabilities Act (42 U.S.C. § 12101 *et seq.*) (the “ADA”), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) (“Section 504”), and all applicable regulations promulgated pursuant to such federal laws, as well as any applicable state laws, including the SDE’s Policies and Procedures for Special Education of Oklahoma. The Charter School’s obligations under these laws and regulation include, but are not limited to, the following:

- **Policies and Procedures Manual.** The Charter School shall develop and implement a special education policies and procedures manual consistent with applicable court and administrative opinions setting forth Charter School's obligations under the law and this Contract.
- **Notice.** The Charter School will comply with all requirements relating to notification to parents of their rights under the IDEA and with notices required to be provided to parents of children with disabilities or children suspected of having disabilities.
- **Enrollment.** The Charter School shall not refuse enrollment to a student because the student already has been or may be identified as a child with a disability under the IDEA or a child to whom Section 504 is applicable. The Charter School will not drop enrollment of a student if such identification is made subsequent to enrollment.
- **Child Find.** The Charter School shall adopt and implement policies and practices that affirmatively seek out, identify, locate and evaluate children with disabilities enrolled in the Charter School or contacting the Charter School regarding enrollment, and shall develop and implement a practical method to determine which children with disabilities are currently receiving needed special education and related services. For each eligible child, the Charter School shall develop an individualized education program ("IEP") appropriate to the needs of that student and provide services to that student in accordance with the IEP.

Free Appropriate Public Education. The Charter School shall provide a free appropriate public education to all children with disabilities who are enrolled in the Charter School.

- **Services to Students Subject to Disciplinary Removal.** The Charter School shall comply with current IDEA regulations governing services to students subject to disciplinary removal, including regulations that require continuation of a free appropriate public education to a child with a disability even after disciplinary removal or change of placement of the child for valid disciplinary reasons.
- **Monitoring.** The Charter School agrees that its implementation of programs required to be in compliance with laws governing the education of children with disabilities may be monitored for compliance by the United States Department of Education, Office of Special Education Programs; the United States Department of Education, Office For Civil Rights; and/or the Special Education Division of the Oklahoma State Department of Education. This monitoring activity may include responding to complaints and other investigations by the enforcing agencies, and may result in corrective actions imposed on Charter School

by these agencies for any discrepancies found. The SBE shall have right to require periodic special education compliance reports from Charter School.

- **Due Process Hearings.** The Charter School's implementation of programs required to be in compliance with laws governing the education of children with disabilities may be subject to due process hearing and court supervision via litigation against the Charter School brought by individuals affected by the actions of the Charter School. The Charter School is aware that the cost to the Charter School of due process hearings and litigation can be substantial. The Charter School acknowledges and agrees that the SBE is in no way responsible for the costs of such costs, including but not limited to attorneys' fees.

- II. The Charter School agrees that it is the Local Educational Agency ("LEA") as that term is defined in the above statutes and regulations and agrees that it shall be responsible for all costs associated with providing services and accommodations to the special education students enrolled in Charter School, including without limitation, all costs of litigation and/or due process hearings. The Charter School agrees to indemnify the SBE from all liabilities, including attorney fees and costs, which may be incurred by or imposed on the SBE concerning the education of any special education student enrolled in the Charter School.

4. SCHOOL PERFORMANCE STANDARDS, AUDITS AND EVALUATION.

- a. **School Performance Framework.** The Charter School shall annually *Meet* or *Exceed Expectations* on the School Performance Framework attached as Appendix "A" (the "Performance Framework"). The Performance Framework shall include, but not be limited to, the information set forth in the Student Assessment / School Accountability section of the Application as well as any requirements of Applicable Law.
 - I. The School Performance Framework shall consist of an Academic, a Financial and an Organizational Performance Frameworks.
 - II. The SBE shall monitor and report on the Charter School's progress in relation to the indicators, measures, metrics and targets set out in the Performance Framework. Such reporting shall take place, at a minimum, annually and be in compliance with this Contract and provide the Charter School with a guidance report upon completion of the audits and evaluations.

- III. The Charter School's performance in relation to the indicators, measures, metrics and targets set forth in the Academic, Organizational and Financial Performance Frameworks will be a part of the basis upon which the SBE will decide whether to renew the Charter School's Charter at the end of the term of this Contract.
- IV. The Parties intend that, where this Contract references or is contingent upon state or federal accountability laws, that they be bound by any applicable modification or amendments to such laws upon the effective date of said modifications or amendments, unless the Charter School is otherwise exempt from such. The specific terms, form and requirements of the Performance Framework may be modified or amended, to the extent required to align with changes to applicable state or federal accountability requirements, as set forth in law. In the event that any such modifications or amendments are required, the SBE will use best efforts to apply expectations for school performance in a manner consistent with those set forth in the Performance Framework.
- b. Annual Performance Evaluation. The Charter School shall be subject to an evaluation by the SBE of its academic, organizational, and financial performance annually and is required to provide required documentation on or before May 1st of each year, or as reasonably requested by the State Board or its designee. The academic evaluation will consist, at a minimum, of a review of student performance and progress. The Charter School will also be evaluated based upon the school's mission and program. SBE shall comply with 70 O.S. §§ 3-135 (C) and 3-135(D) in providing the guidance document in sufficient time for the School Board to provide the documentation required herein.
- c. School Performance Framework. The School Performance Framework will be a part of the basis, along with the requirements of 70 O.S. § 3-137 (B), (C) & (D), upon which the SBE will decide whether to renew the Contract at the end of its term. The SBE shall comply with the Act's requirements on charter renewals.
- d. Ongoing Quality Assurance. The Charter School shall be subject to quality assurance visits upon reasonable advanced notice.
- e. Accreditation. Charter School shall maintain compliance with Applicable Law, and shall remain in compliance with accreditation standards of the Oklahoma State Board of Education. Consequences for issues related to State accreditation and/or accountability system shall be those prescribed by Applicable Law, the State accreditation, or accountability system.

- f. Charter Renewal. The SBE shall provide oversight of the Charter School through the annual performance audits and evaluations and provide the Charter School with a guidance report upon completion of the audits and evaluations.
- I. The SBE shall develop and maintain chartering policies and practices consistent with recognized principles and standards for quality charter authorizing as established by the Oklahoma State Department of Education in all major areas of authorizing responsibility, including organizational capacity, performance contracting, ongoing charter school oversight and evaluation and charter renewal decision making and provide copies of such to the School Board. 70 O.S. § 3-134(K).
- II. At a minimum, prior to the beginning of the second to last year of the contract term, the SBE shall issue a school performance report and renewal application guidance to the School Board pursuant to 70 O.S. § 3-137(B). The performance report shall summarize the performance record to date of the Charter School, based upon the data required by the Act and this Contract and taking into consideration the percentage of educationally disadvantaged students enrolled in the Charter School, and shall provide notice of any weaknesses or concerns perceived by the SBE concerning the Charter School that may jeopardize its position in seeking renewal if not timely rectified. The School Board shall have forty-five (45) days to respond to the performance report and submit any corrections or clarification for the report.
- a. The renewal application guidance shall, at a minimum, provide the School Board the opportunity to:
- i. Present additional evidence, beyond the date contained in the performance report, supporting its case for renewal;
 - ii. Describe improvements undertaken or planned for the Charter School; and
 - iii. Detail the plan for the next charter term for the Charter School.
- III. Prior to the last year of operation, the School Board may apply for renewal of the Contract with the SBE. The School Board should provide such information as part of its renewal application as required by SBE policy.
- V. The SBE shall give written notice of its intent to deny the request for renewal at least eight (8) months prior to the expiration of this Contract and in making renewal decisions the SBE shall:

- i. Ground decisions on evidence of the performance of the Charter School over the term of the Contract in accordance with the performance framework set forth in the Contract and shall take into consideration the performance of educationally disadvantaged students enrolled in the Charter School;
- ii. Grant renewal to the School Board if it has achieved the standards, targets and performance expectations as stated in the Contract and is organizationally and fiscally viable and has been faithful to the terms of the Contract and applicable law;
- iii. Ensure that data used in making renewal decisions are available to the School Board; and
- iv. Provide a report to the School Board summarizing the evidence used as the basis for such decision.

5. SCHOOL OPERATIONS

- a. In General. The Charter School shall operate at all times in accordance with all federal and state laws, local ordinances, regulations and SBE policies applicable to charter schools, except where such conflicts with state law or where the Charter School is otherwise exempt.
- b. Nonsectarian Status. The Charter School shall be nonsectarian in its programs, admissions policies, employment practices and all other operations. The Charter School shall not be affiliated with a nonpublic sectarian school or religious institution.
- c. Open Meetings and Public Records. The School Board shall comply with the Oklahoma Open Meeting Act and the Oklahoma Open Records Act.
- d. Non-discrimination. The Charter School shall not discriminate against any student, employee or any other person on the basis of race, color, ethnicity, national origin, gender, religion, disability, sexual orientation, sexual identity, or any other ground that would be unlawful if done by any other public school. It shall take all steps necessary to ensure that discrimination does not occur, as required by law.
- e. Child Abuse Reporting and Prevention. Charter School and the School Board shall comply with the Oklahoma Child Abuse Reporting and Prevention Act.
- f. Administrative Records. The School Board will maintain all administrative records, and student academic records, required by law. The School Board agrees to make administrative records available to the SBE upon request.

- g. No Encumbrances. The School Board shall utilize a fiscal year beginning July 1 and ending on the following June 30. The School Board shall not violate the fiscal year debt restrictions imposed by the Article 10, Section 26 of the Oklahoma Constitution. The School Board will not encumber to any third party any of the Charter School's assets, nor shall the School Board extend credit or otherwise make use of the credit or assets of the Charter School for any purpose other than operation of the Charter School authorized by this Contract.
- h. Transportation will not be provided for students, unless required by federal or state law. The School Board may explore options for transportation as needed for parents whose students are accepted and enrolled in the Charter School.

6. **SCHOOL CALENDAR.** The Charter School shall adopt a school calendar as reasonably set forth in the Application with an instructional program that meets or exceeds the compulsory school attendance requirements of state law. Further, Charter School agrees to provide classroom instruction for an instructional day five (5) days per week, unless otherwise authorized by the SBE.

7. **ADMISSION AND ENROLLMENT**

- a. Admission and Enrollment Policy. The School Board shall comply with the admission and enrollment requirements set forth in 70 O.S. §§ 3-135 & 3-140. Enrollment shall be open to any student who resides within the geographical boundaries of Oklahoma City Public Schools jurisdictional limits and is eligible by age or grade to enroll in the Charter School's educational program to the extent of any capacity limits. In doing so, the School Board must give preference to students attending a school site listed on the school support and improvement list as required by the Act. If capacity exists after enrolling all eligible students who reside within said boundary, then the Charter School may admit students who reside outside the Oklahoma City Public School District's geographical boundaries if any required transfer application is approved for such students. If capacity is insufficient to enroll all eligible students who apply for admission at any level, grade and / or program, then the Charter School shall select students through a lottery selection process. If capacity allows, SCS may admit students from outside the jurisdictional limits of Oklahoma City Public Schools. The lottery shall use a mechanism for selecting students that will result in an equal probability that any student will be selected, and does not give the Charter School discretion to waive the selection of any student selected under the lottery. If a lottery is utilized by the School Board, thirty (30) days advance written notice of the date of the lottery shall be provided to the SBE. The SBE shall be entitled to have a representative present at the lottery. Sibling policy will be applied at the lottery, so that if more than one child from

a family has applied for admission and one of the children is or has previously been selected by lottery, then other applicants from that family are also permitted to attend.

- b. Advertising. Prior to enrolling any student, the School Board shall advertise, at its expense, to the general public, through display on the Charter School's website or through other methods, relevant information about the Charter School necessary for a student or parent to determine whether an application should be made to the Charter School. At a minimum, the advertisement must provide information as to the Charter School's purpose, mission, admission policies, and method by which any student or parent can apply for admission to the Charter School. The advertisement shall explain that if capacity is insufficient to enroll all eligible students who apply, the School Board will select students through a lottery that does not discriminate against any student.
- c. Maximum Enrollment. The School Board has indicated a maximum number of students who may be enrolled in the Charter School in the Application. The School Board indicates that this maximum enrollment determination is consistent with facilitating the academic success of students enrolled in the Charter School and facilitating the Charter School's ability to achieve the other objectives specified in the Contract. The School Board may increase the number of students if it determines that such is consistent with facilitating the academic success of students enrolled in the school.
- d. In compliance with 70 O.S. § 3-140, the School Board will have an open application and enrollment with freedom of choice and will not limit enrollment based on ethnicity, national origin, gender, sexual orientation, sexual identity, income level, disabling condition, religion, proficiency in the English language, measures of achievement, aptitude, or athletic ability.

8. TUITION AND FEES. The School Board will not charge tuition or fees for public educational services.

9. SCHOOL FACILITIES.

- a. Generally. The SBE is under no obligation to provide facilities and equipment to the Charter School. All furniture and equipment purchased with state and local public funds shall be inventoried and a copy of such inventory may be requested by the SBE.
- b. Location. The primary location of the Charter School shall be consistent with the Application. The School Board shall notice the SBE of any change in the primary location of the Charter School.

- c. Construction/Renovation and Maintenance of Facilities. The School Board will be responsible for the construction/renovation and maintenance of any facilities owned or leased by it. The School Board will be responsible for ensuring compliance with all ADA accessibility requirements. This provision only applies to facilities not owned or controlled by SBE.

10. FUNDING OF CHARTER SCHOOL. The Charter School shall receive funding from the SBE as provided by OKLA. STAT. tit. 70, § 3-142 and applicable regulations, and any subsequent amendments thereto, less three percent (3%) of the total State Aid allocation, which shall be retained by the SBE as a fee for administrative services rendered. The SBE shall make payment to the School Board by the second Friday after the SBE's receipt of any funds to which the Charter School is entitled. The Charter School, as a school district, shall, in addition to the funding received from the State Aid allocation, receive other funding for which it is eligible, as well as any private funding pursuant to 70 O.S. § 142(C)&(D).

11. SCHOOL FINANCE. The School Board shall comply with all applicable state financial and budget laws, rules, and regulations.

- a. The School Board shall be subject to audits of programs and financial conditions as may be imposed by state or federal law, including but not limited to the Oklahoma Public School Audit Law, 70 O.S. §22-102, et seq. The School Board shall provide to the SBE a copy of the School's external audit on the same date such audit is due to the State Department of Education. If the Charter School's audit includes any deficiencies, the School Board shall within sixty (60) days of receipt of the audit findings provide to the SBE a Corrective Action Plan addressing each audit deficiency received outlining corrective action steps. In the event any issue for which the Charter School received a deficiency is cited in the next two (2) annual audits, the SBE reserves the right to place the Charter School on probation.
- i. The School Board shall file an annual report with the Office of Accountability in accordance with 70 O.S. §3-143 containing information requested by the Office of Accountability. Further, the Charter School shall use the Oklahoma Cost Accounting System to report financial matters to the Board and Department, and shall utilize the systems required by the Department to report financial matters and matters relating to school personnel containing information as requested by the Department.
- b. Upon request, the School Board shall provide copies of its monthly financial reports to the SBE in compliance with Oklahoma Public School Audit Law, 70 O.S. §22-102, et seq. Otherwise, such reports shall be submitted to the SBE quarterly, no later than thirty (30) days following the end of each quarter, except that all year end reports shall be submitted with the annual independent financial audit.

- c. The School Board shall assure that all financial records for the Charter School are: (1) maintained at the Charter School principal's administrative office, (2) posted and reconciled at least monthly; and (3) open for public inspection during reasonable business hours.
- d. The School Board shall establish procedures for ensuring that funds are disbursed for approved expenditures consistent with the Charter School's budget.

12. BUDGET. On or before Oct.1st of each year, the School Board will submit to the SBE the Charter School's proposed budget for the upcoming fiscal year (July 1st to June 30th). This provision may be satisfied by providing a copy of the Charter School's Estimate of Needs.

13. EMPLOYMENT MATTERS.

- a. No Employee or Agency Relationship. Neither the School Board, its members, employees, agents, nor contractors are employees or agents of the SBE; nor are either the SBE or its employees, agents, or contractors employees or agents of the School Board or Charter School. None of the provisions of this Contract will be construed to create a relationship of agency, representation, joint venture, ownership, or control of employment between the Parties other than that of independent Parties contracting solely for the purpose of effectuating this Contract.
- b. Retirement Plan. Pursuant to 70 O.S. § 3-136 of the Act, employees of the Charter School may participate as members of the Teachers' Retirement System of Oklahoma in accordance with applicable statutes and rules if otherwise allowed pursuant to law.
- c. Professional Development. Charter school employees shall attend and complete professional development as set forth in the Application and as may be required by Applicable Law. On a space-available basis, the Charter School's employees may participate in the SBE's professional development activities for a reasonable fee. The SBE shall notify the Charter School of professional development activities in the same manner provided to other SBE site administrators. On a space-available basis, SBE employees may participate in any Charter School professional development activities for a reasonable fee.
- d. Background Checks. The Charter School agrees to obtain and retain copies of fingerprint and background checks, including national criminal history record checks, sex offender registry checks and violent offender registry checks for all employees as may be required of school SBE under federal or state law. Further, Charter School shall comply with the requirements of Applicable Law relating to persons or businesses having contracts to perform services on school premises.

- e. Employment Contracts. The Charter School shall have a written employment contract with every employee, which shall comply with the requirements of the Act. The Charter School may not enter into an employment contract with any teacher or other personnel prior to the approval of this Contract by the SBE. The Charter School's contract shall be in compliance with applicable law.

14. CHARTER SCHOOL NUTRITION SERVICES.

The Charter School will provide school nutrition services as set forth in the Application.

15. CONNECTIVITY. Charter School is responsible for connectivity of student information with the State. Charter School must purchase and implement its own Student Information System ("SIS") and software for special education programs and services to connect directly with the State. The purchased SIS and software by Charter School must meet federal or state reporting and State Department of Education requirements related to the implementation of WAVE and the legal mandate for all school SBEs in Oklahoma to be "SIF" compliant as defined in 70 O.S. § 3-160 Subsection B.

16. PROVISION OF POLICIES TO THE SBE. Upon reasonable request, the School Board will furnish to the SBE copies of all written policies and procedures it may adopt, including any amendments thereto, with respect to any matter relating to its management, operations, and educational program.

17. BREACH OF CONTRACT, TERMINATION, AND DISSOLUTION.

- a. The grounds and procedures for breach and termination of this Contract and dissolution of the Charter School shall be in compliance with the Act, and this Contract does not limit or expand the rights of either party.
 - I. Breach of Contract. In the event the SBE has reason to believe the Charter School has failed to meet or violated any provision of State or Federal law, this Contract, or failed to meet the Performance Frameworks and effectiveness of the Charter School's program, the SBE will notify the School Board in writing of the violation and the proposed action to be taken. The School Board shall have thirty (30) days to respond and provide an explanation and corrective action plan. If the School Board's explanation and corrective action plan are inadequate to cure the violation, the SBE may in its discretion place the Charter School on probation, terminate or non-renew this Contract. Any non-renewal or termination due to such failure or violation shall comply with the Act.

- II. Grounds for Termination. Grounds for termination or non-renewal during the term of this Contract are those set forth in and in accordance with 70 O.S. § 3-137 of the Act. “Other good cause” for termination or non-renewal shall be deemed to include a material violation of any of the terms, conditions, standards, or procedures set forth in this Contract and/or Applicable Law.
- III. Termination by the SBE. Any termination, revocation, or non-renewal of this Contract shall be in accordance with 70 O.S. § 3-137 of the Act. In order to minimize the disruption to students, the effective date of the termination shall be no sooner than the end of the current school year, unless termination on a different date is reasonably necessary to protect the health, safety, or welfare of students or staff.
- IV. Termination by the School Board. Should the School Board choose to terminate this Contract before the end of the contract term, it may do so in consultation with the SBE at the close of any school year and upon written notice to the SBE given at least ninety (90) days before the end of the school year.
- V. Dissolution. Upon termination or non-renewal of this Contract for any reason by the SBE, upon expiration of this Contract, or if the Charter School should cease operations or otherwise dissolve, the School Board will supervise and have authority to conduct the winding up of the business and other affairs of the Charter School; provided, however, that in doing so the SBE will not be responsible for and will not assume any liability incurred by the Charter School under this Contract. The School Board and Charter School personnel shall cooperate fully with the winding up of the affairs of the Charter School.
- VI. Disposition of School’s Assets upon Termination or Dissolution. The School Board shall adopt a rule specifying the method to be used for disposing of real and personal property acquired by the Charter School upon the expiration or termination of the Contract or upon failure of the Charter School to continue operations or when the real or personal property is no longer needed.

Any real or personal property purchased by the Charter School at any time **with public funds** shall be retained by the SBE, upon the occurrence of any of said events. However, if the Charter School continues operation in the geographical boundaries of the Sponsor under a new charter contract sponsored by another entity authorized under the Oklahoma Charter Schools Act to sponsor charter schools, then any personal property purchased with state or local funds by the Charter School may be retained by the Charter School for use in operation of the

Charter School until termination of the new charter or failure of the Charter School to continue operations, at which time all such personal property shall be retained by the Sponsor. On or before January 1 of each year, the School Board shall provide to the Sponsor a full, detailed and complete inventory of all real and personal property that it has purchased with state or local funds.

Upon termination of this Contract for any reason or if the Charter School should cease operations or otherwise dissolve, then, any assets **not purchased with state or local funds** that are owned by the Charter School, including tangible, intangible, and real property, remaining after paying the Charter School's debts and obligations and not requiring return or transfer to donors or grantors, or other disposition in accordance with state law, shall be donated to another educational institution or institutions of Charter School's choosing or remain in Charter School's possession should Charter School enter into a charter contract with another sponsor.

18. INSURANCE AND LEGAL LIABILITIES.

- a. Insurance. The School Board will provide insurance as set forth in the Application. Upon request, the School Board will provide the SBE with certificates of insurance evidencing public liability insurance equal to or greater than the limits of liability set forth in the Oklahoma Governmental Tort Claims Act, and the Charter School will maintain sufficient property and casualty insurance to cover the value of all property in the possession of the Charter School which was purchased with public funds. Upon request, the School Board shall provide the SBE with certificates of insurance evidencing such coverage.
- b. Risk Management. The School Board will keep and maintain records of all pending or threatened claims or charges. Charter School shall cooperate fully with the SBE in the defense of any claims asserted against the SBE, its School Board members, agents or employees arising from or related to the operation of the Charter School.
- c. No Authority to Bind. Neither Party may extend the faith and credit of the other to any third person or entity. Neither Party may contractually bind the other to any third party. Both Parties acknowledge the applicable provisions of Article X, § 26 of the Oklahoma Constitution. The SBE has no financial obligation to the Charter School beyond the current fiscal year except to pass through any funding authorized by law.
- d. Assumption of Liability. The SBE and the Charter School acknowledge and agree that neither Party has agreed to assume any liability of the other Party as a result of this Contract and that neither Party has agreed to indemnify or hold the other Party harmless

with regard to any loss or damage arising out of this Contract or the operation of the Charter School except as expressly provided in this Contract or any other written agreement executed between the Parties. The School Board assumes all liability imposed on it by law. The SBE and the Charter School acknowledge and agree that any and all decisions regarding the operation and management of the Charter School made by the governing board are separate from the SBE, and the Charter School is solely responsible for the liability resulting from those decisions.

19. NOTICE.

Any notice required or permitted under this Contract will be in writing and will be effective upon personal delivery or three days after mailing when sent by certified mail, postage prepaid, addressed as follows:

For the Charter School:

SCS
c/o Phil Gover

With copy to legal counsel:

Hickman Law Group
c/o William Hickman
330 W. Gray Street, Suite 170
Norman, OK 73069
hickman@hickmanlawgroup.com
405-605-2375

For the SBE:

State Board of Education
2500 North Lincoln Boulevard, Suite 119
Oklahoma City, OK 73105

20. GENERAL.

- a. Merger. This Contract contains all terms, conditions, and understandings of the Parties relating to its subject matter. All prior representations, understandings, and discussions are merged herein and superseded by this Contract.

- b. Amendments. No amendment to this Contract will be valid unless ratified in writing by the SBE and the School Board and executed by authorized representatives of the Parties.
- c. Governing Law and Enforceability. This Contract will be governed and construed according to the Oklahoma State Constitution and the State Laws of Oklahoma. If any provision of this Contract or any application of this Contract to the Charter School is found contrary to law, such provision or application will have effect only to the extent permitted by law. The Parties shall, upon the request of either party, negotiate in good faith to adopt any necessary or appropriate replacement provision.
- d. No Waiver. The Parties agree that no assent, express or implied, to any breach by either party of any one or more of the provisions of this Contract shall constitute a waiver of any other breach.
- e. No Third-Party Beneficiary. This Contract shall not create any rights in any third parties who have not entered into this Contract, nor shall any third party be entitled to enforce any rights or obligations that may be possessed by either party to this Contract.
- f. Force Majeure. Neither Party shall be in breach of this Contract if the performance of any part or all of this Contract is prevented, delayed, hindered, or otherwise made impracticable or impossible because of strike, flood, tornado, hurricane, riot, explosion, war, act of God, sabotage, accident, or any other casualty or cause beyond either Party's control and that cannot be overcome by reasonable diligence and without unusual expense.
- g. Non-Assignment. Neither party to this Contract shall assign or attempt to assign any rights, benefits, or obligations accruing to the party under this Contract unless the other party agrees in writing to any such assignment, which said agreement will not be unreasonably withheld.
- h. Exemption. The Parties recognize that charter schools are exempt from certain laws, regulations and rules and agree that this Contract shall not nor is intended to waive, override, preempt or otherwise negate any such exemptions.

[SIGNATURE PAGES FOLLOW]

Dated this ____ day of _____, 2018.

OKLAHOMA STATE BOARD OF EDUCATION

By: _____
Board President

CERTIFICATE

The undersigned Secretary of the Oklahoma State Board of Education certifies that this Contract was approved by the State Board of Education at its meeting held on _____.

By: _____
_____, Secretary

Dated this ____ day of _____, 20__.

SCS, INC.

By: _____
School Board

CERTIFICATE

The undersigned Secretary of SCS, Inc. certifies that this Contract was adopted by the SCS Board of Directors at its meeting held on _____, 2018.

By: _____
Secretary

